REPORT OF

COUNTY EMPLOYEES' RETIREMENT FUND

DECEMBER 31, 2013 and 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
County Employees' Retirement Fund

We have audited the accompanying financial statements of the County Employees' Retirement Fund ("CERF"), which comprise the statements of plan net position as of December 31, 2013 and 2012, and the related statements of changes in plan net position for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net position of the County Employees' Retirement Fund as of December 31, 2013 and 2012, and the changes in plan net position for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 - 9 and the schedules of funding progress and employer contributions on page 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements as a whole. The supplementary information included on pages 25 - 26 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Williams-Keepers LLC

April 30, 2014

COUNTY EMPLOYEES' RETIREMENT FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (MD&A) of the County Employees' Retirement Fund's (CERF) financial performance provides an introduction to the financial statements of CERF for the years ended December 31, 2013 and 2012. Since the MD&A is designed to focus on current activities, resulting changes and current known facts, please read it in conjunction with the financial statements.

Required Financial Statements

CERF, a public employees' retirement plan, prepares its financial statements on the accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. The Statement of Plan Net Position includes all of CERF's assets and liabilities and provides information about the nature and amount of investments available to satisfy the pension benefits of the plan. All additions to and deductions from the net position held in trust for pension benefits are accounted for in the Statement of Changes in Plan Net Position. This statement measures CERF's success over the past year in increasing the net position available for pension benefits.

Financial Analysis of CERF

While the Statement of Plan Net Position and Statement of Changes in Plan Net Position measure the value of plan net position and its changes, there are other important factors to be considered in order to determine CERF's long-term ability to support member benefits. Among these additional factors is the plan's funded status. On an actuarial basis, the assets held as of June 30, 2013 cover 70% of the actuarial accrued liability, which is slightly above the 69% funded ratio at June 30, 2012. If a ratio of the actuarial value of assets to the actuarial present value of accrued benefits based on plan members' current compensation is used, the funded ratio as of June 30, 2013 is 82%. For the year ended December 31, 2013, the plan overall experienced a gain of 19.29%, which is above the 8% actuarial assumption. Based on the actuarial value of assets, the funded ratio as of December 31, 2013, is 71%, while the funded ratio, based on the fair market value of assets, is 79%.

CERF uses other tools to monitor its actuarial results. We perform an actuarial gain and loss analysis every year to monitor each significant actuarial assumption. CERF also performs an actuarial experience study approximately every 5 years so that we can make any adjustments in actuarial assumptions if warranted. Also, importantly, we carry out a 40-year projection to make sure that our funded ratio can be expected to reach 100% within a reasonable timeframe.

In 2013, contributions, combined with net investment income and securities lending income totaling $98,932,516, exceeded deductions of $30,647,974. A net increase of $68,284,542 brought the plan's net position to $417,200,061. For actuarial calculations, certain assumptions were changed beginning in 2008, based on a six-year experience study. Specifically, the salary increase assumption was strengthened, the member turnover assumption was increased, and the retirement age assumption was modified. A 5-year smoothing method to derive the actuarial asset value was also adopted. The plan is not 100% funded at present, as it is a relatively new plan created by legislation in August, 1994 and the CERF plan granted past service credit. Our funded position had steadily improved since inception, enabling CERF to make improvements to plan benefits effective October 1, 2007. The cost of these benefit enhancements continues to be reflected in this recent actuarial valuation. At June 30, 2013, the date of the latest actuarial valuation, the actuarial value of assets was $360,289,802, while the fair market value of assets was $375,314,931. The aggregate actuarial liability for CERF was $511,278,478, based on plan members' projected compensation. The plan experienced an actuarial gain from member compensation increases that averaged 4.2%, which were lower than the actuarial assumption of an average 5.3%. However, an actuarial loss from Social Security experience partially offset the actuarial gain from the compensation increase assumption. The Social Security

National Average Wage Index is assumed to increase by 4.5%, but the actual increase was 3.1%.

Plan Net Position

To begin the financial analysis, a summary of CERF's plan net position is as follows:

Condensed Statements of Plan Net Position
(in $000's)

	2013	2012	Dollar Change	Percent Change
Cash and cash equivalents	$ 2,177	$ 1,830	$ 347	19%
Receivables	4,247	3,826	421	11%
Investments	412,194	346,131	66,063	19%
Invested securities lending collateral	62,598	46,947	15,651	33%
Other assets	2	2	-	0%
Capital assets, net	4,304	3,759	545	14%
Total assets	485,522	402,495	83,027	21%
Liabilities	68,322	53,579	14,743	28%
Total plan net position	$ 417,200	$ 348,916	$ 68,284	20%

Plan net position increased by $68,284,542, or 20%, in 2013. This increase reflects investment gains experienced during 2013 from improved market return.

The following table presents the investment allocation for 2013 and 2012, and CERF's target allocation for 2013. CERF considers its land and administrative office building to be part of its real estate investment portfolio, whereas they are classified as capital assets in the financial statements. These percentages for 2013 are based on including the land and building at the 2010 appraisal amount. The percentages are also based on classifying temporarily uninvested cash in each investment fund as part of CERF's overall category, whereas such cash is classified as cash equivalents in the financial statements. Otherwise, these percentages may reflect some minor differences in classifications among categories as compared to the classifications used for investments in the accompanying financial statements.

	2013	2012	Target
Fixed Income	28.2%	30.2%	30.0%
U. S. Equities	41.4%	40.1%	35.0%
International Equities	14.5%	13.9%	15.0%
Private Equities	1.5%	1.5%	5.0%
Equity Long/Short	9.0%	9.3%	10.0%
Real Estate	3.9%	4.2%	5.0%
Cash	1.6%	0.8%	*

*The investment policy permits up to 3% of the portfolio to be in cash and cash equivalents.

Condensed Statements of Plan Net Position
(in $000's)

	2012	2011	Dollar Change	Percent Change
Cash and cash equivalents	$ 1,830	$ 1,840	$ (10)	-1%
Receivables	3,826	4,053	(227)	-6%
Investments	346,131	301,869	44,262	15%
Invested securities lending collateral	46,947	63,074	(16,127)	-26%
Other assets	2	6	(4)	-67%
Capital assets, net	3,759	3,513	246	7%
Total assets	402,495	374,355	28,140	8%
Liabilities	53,579	68,631	(15,052)	-22%
Total plan net position	$ 348,916	$ 305,724	$ 43,192	14%

Plan net position increased by $43,191,388, or 14%, in 2012. This increase reflects investment gains experienced during 2012 from improved market return.

The following table presents the investment allocation for 2012 and 2011, and CERF's target allocation for 2012. CERF considers its land and administrative office building to be part of its real estate investment portfolio, whereas they are classified as capital assets in the financial statements. These percentages for 2012 are based on including the land and building at the 2010 appraisal amount. The percentages are also based on classifying temporarily uninvested cash in each investment fund as part of CERF's overall category, whereas such cash is classified as cash equivalents in the financial statements. Otherwise, these percentages may reflect some minor differences in classifications among categories as compared to the classifications used for investments in the accompanying financial statements.

	2012	2011	Target
Fixed Income	30.2%	31.4%	30.0%
U. S. Equities	40.1%	39.3%	35.0%
International Equities	13.9%	14.0%	15.0%
Private Equities	1.5%	1.2%	5.0%
Equity Long/Short	9.3%	8.6%	10.0%
Real Estate	4.2%	4.5%	5.0%
Cash	0.8%	1.0%	*

*The investment policy permits up to 3% of the portfolio to be in cash and cash equivalents.

Condensed Statements of Changes in Plan Net Position
(in $000's)

	2013	2012	Dollar Change	Percent Change
Additions:				
Contributions:				
Counties receipts	$ 20,349	$ 19,919	$ 430	2%
By members	10,034	9,412	622	7%
For members, paid by counties	1,064	1,151	(87)	-8%
Members, purchase of prior service	100	85	15	18%
Total contributions	31,547	30,567	980	3%
Net investment income (loss)	66,916	40,026	26,889	67%
Net securities lending activities	466	489	(23)	5%
Other income	4	4	0	4%
Total additions	98,933	71,086	27,846	39%
Deductions:				
Benefits	$ 22,369	$ 20,274	$ 2,095	10%
Refunds	3,658	3,185	473	15%
Defined contribution plan match	2,532	2,472	60	2%
Administrative expenses	2,089	1,964	125	6%
Total deductions	30,648	27,895	2,753	10%
Net increase	$ 68,285	$ 43,191	$ 25,094	58%

Condensed Statements of Changes in Plan Net Position
(in $000's)

	2012	2011	Dollar Change	Percent Change
Additions:				
Contributions:				
Counties receipts	$ 19,919	$ 19,364	$ 555	3%
By members	9,412	8,930	482	5%
For members, paid by counties	1,151	1,032	119	12%
Members, purchase of prior service	85	81	4	5%
Total contributions	30,567	29,407	1,160	4%
Net investment income (loss)	40,026	(1,888)	41,915	-2220%
Net securities lending activities	489	294	194	-66%
Other income	4	5	(1)	-26%
Total additions	71,086	27,818	43,268	156%
Deductions:				
Benefits	$ 20,274	$ 18,825	$ 1,449	8%
Refunds	3,185	3,317	(132)	-4%
Defined contribution plan match	2,472	2,225	247	11%
Administrative expenses	1,964	1,917	47	2%
Total deductions	27,895	26,284	1,611	6%
Net increase	$ 43,191	$ 1,534	$ 41,657	2715%

Additions

Additions needed to fund benefits are accumulated through contributions, which include both county fee receipts and employee contributions, and returns on invested funds. Contributions for 2013 totaled $31,547,138, which was 3.0% above those received in 2012. Contributions for 2012 totaled $30,567,164, which was 4.0% above those received in 2011. Due to the legislation which took effect in 2003, as new employees continue to replace employees hired prior to February 25, 2002, employee contributions are expected to continue to rise.

The year 2013 was strong for domestic and international stocks, but relatively weak for bonds. The $26,889,409 increase in net investment income in 2013, as compared to 2012, is attributable to a positive market environment in 2013. For example, the S&P 500 Index returned 16.0% in 2012, and increased to 32.4% in 2013. Similarly, the MSCI EAFE Index gained 23.3% in 2013, as compared to 17.9% in 2012. Consequently, the total rate of return for the CERF portfolio in 2013 was 20.0%, as compared to 13.7% in 2012. CERF's Large Cap U.S. Equities returned 33.9%, as compared to 32.4% for the S&P 500 Index. The Small/Mid Cap U.S. Equities returned 35.7%, as compared to 36.8% for the Russell 2500 Index. The fixed income portfolio returned 3.7%, as compared to (2.0)% for the Barclays U. S. Aggregate Index. CERF's international stock portfolio returned 23.8%, as compared to 23.3% for the MSCI EAFE Index. The Equity Long/Short position returned 15.4%, as compared to 14.4% for the HFRI Equity Hedge Index. CERF's Private Equity investment returned 8.6% as compared to the S&P 500 of 32.4%. The Real Estate portfolio consists of an investment in core real estate, as well as CERF's office building. In 2013, the core real estate investment returned 9.8%, as compared to the NFI ODCE Index return of 12.9%. The office building was appraised in mid-2010 with a market value of $3,500,000. The return on investment in CERF's office building will continue to be recognized as periodic appraisals are conducted every five years.

The year 2012 was strong for domestic and international stocks, but relatively weak for bonds. The $41,914,729 increase in net investment income in 2012, as compared to 2011, is attributable to a rebound in the market environment in 2012. For example, the S&P 500 Index returned 2.1% in 2011, and increased to 16.0% in 2012. Similarly, the MSCI EAFE Index lost 11.8% in 2011 and gained 17.9% in 2012. Consequently, the total rate of return for the CERF portfolio in 2012 was 13.7%, as compared to (0.1)% in 2011. CERF's Large Cap U.S. Equities returned 18.4%, as compared to 16.0% for the S&P 500 Index. The Small/Mid Cap U.S. Equities returned 20.7%, as compared to 17.9% for the Russell 2500 Index. The fixed income portfolio returned 9.7%, as compared to 4.2% for the Barclays Capital Aggregate Index. CERF's international stock portfolio returned 12.8%, as compared to 17.9% for the MSCI EAFE Index. The Equity Long/Short position returned 9.8%, as compared to 16.0% for the S&P 500 Index. CERF's Private Equity investment returned 12.7% as compared to the S&P 500 of 16.0%. The Real Estate portfolio consists of an investment in core real estate, as well as CERF's office building. In 2012, the core real estate investment returned 10.9%, as compared to the NFI ODCE Index return of 9.8%. The office building was appraised in mid-2010 with a market value of $3,500,000. The return on investment in CERF's office building will continue to be recognized as periodic appraisals are conducted every five years.

Beginning in January 2006, the Board of Directors authorized CERF to enter into a Securities Lending Agreement with Key Bank, thus allowing CERF to lend its securities to broker-dealers, for the purpose of providing additional income to CERF. In 2013, CERF experienced a net unrealized securities lending gain of $465,569, as compared to $488,657 in 2012.

When comparing returns, it is important to note that CERF's investment objectives should be pursued as long-term goals designed to maximize return while reducing exposure to undue risk, as set out in the Board's investment policy. At a minimum, it is the objective of CERF to meet its actuarial interest assumption on an ongoing basis. Currently, the actuarial assumption for investment return is 8%. The desired objective on a long-term basis is to achieve an excess return over the actuarial assumption of 1%, which is an absolute objective of 9%, net of investment management fees and transaction costs. Long term is defined as greater than 10 years. Some of the results for the total fund are:

Period	Returns	Other Public Funds
One Year	20.0%	22nd Percentile
Three Years	10.9%	25th Percentile
Five Years	14.1%	15th Percentile
Ten Years	7.9%	18th Percentile
Since Inception	9.4%	

Deductions

The expenses paid by CERF include benefit payments, refunds, a defined contribution plan match, and administrative expenses. Due to new legislation which took effect August 28, 2012, expenses also include refunds of contributions to beneficiaries of non-vested active members who died after December 31, 2002.

Expenses for 2013 totaled $30,647,974, an increase of $2,753,278 over 2012. The increase in benefit payments to members and beneficiaries resulted primarily from growth in the number of annuitants to 3,985 in 2013 from 3,672 in 2012 (an increase of 313 payees), as well as an increase in the amount of the average benefit. There was also an increase of $59,504 in the amount necessary to make the defined contribution plan match for 2013 and a significant increase in the amount of contributions refunded to terminated non-vested employees in 2013.

Expenses for 2012 totaled $27,894,696, an increase of $1,610,740 over 2011. The increase in benefit payments to members and beneficiaries resulted primarily from growth in the number of annuitants to 3,672 in 2012 from 3,446 in 2011 (an increase of 226 payees), as well as an increase in the amount of the average benefit. There was also an increase of $247,403 in the amount necessary to make the defined contribution plan match for 2012.

Economic Outlook

CERF's estimated investment return for the three months ended March 31, 2014, is approximately 1.3%. CERF's investments as of March 31, 2014 total approximately $420,662,000, an increase of $5,002,000 since December 31, 2013, due to first quarter appreciable investment return and plan contributions. For the first quarter 2014, the S&P 500 Index return was 1.8%, the Barclays U. S. Aggregate Index was 1.8%, the Russell 2500 was 2.3%, the NFI ODCE Index was 2.2%, and the MSCI EAFE Index was 1.4%.

COUNTY EMPLOYEES' RETIREMENT FUND

STATEMENTS OF PLAN NET POSITION
December 31, 2013 and 2012

	2013	2012
ASSETS		
Cash	$ 2,177,305	$ 1,830,262
Receivables:		
Member contributions	326,232	311,115
Member prior service contributions	141,307	131,408
County contributions	2,632,554	2,465,797
Receivable for pending investment sales	272,545	178,975
Accrued interest and dividends	874,324	738,790
Total receivables	4,246,962	3,826,085
Investments, at fair value:		
U.S. government and agencies	11,899,656	15,789,995
Foreign bonds	22,502,371	15,033,696
Corporate bonds and notes	23,640,616	26,923,953
Domestic stocks	167,245,049	134,612,707
International equities funds	60,145,181	48,575,760
Private equity	6,397,413	5,379,993
Hedge funds	95,490,582	79,098,504
Real estate fund	12,621,675	11,313,670
Cash equivalents	12,251,947	9,402,505
Total investments	412,194,490	346,130,783
Invested securities lending collateral	62,597,940	46,947,061
Other assets	2,001	2,001
Capital assets, net of accumulated depreciation of $2,353,952 and $2,273,197	4,303,299	3,758,382
Total assets	485,521,997	402,494,574
LIABILITIES		
Accounts payable	517,501	780,620
Accrued defined contribution plan funding	2,531,548	2,472,044
Other accrued expenses	119,699	167,542
Unearned revenue	279,375	145,497
Payable for pending investment purchases	1,219,666	1,690,142
Collateral for securities on loan	63,654,147	48,323,210
Total liabilities	68,321,936	53,579,055
Net position - restricted for pension benefits	$ 417,200,061	$ 348,915,519

(A schedule of funding progress is presented on page 24)

The notes to financial statements are an integral part of these statements

COUNTY EMPLOYEES' RETIREMENT FUND

STATEMENTS OF CHANGES IN PLAN NET POSITION
For the Years Ended December 31, 2013 and 2012

	2013	2012
ADDITIONS:		
Contributions:		
County receipts	$ 20,348,888	$ 19,919,125
By members	10,034,205	9,412,122
For members, paid by counties	1,063,647	1,150,772
Members, purchase of prior service	100,398	85,145
Total contributions	31,547,138	30,567,164
Investment income:		
Investing activities:		
Net appreciation in fair value of investments	62,338,851	35,630,796
Fixed income securities	2,898,079	2,632,257
Equity securities	3,670,960	3,653,395
Alternative investments	10,857	-
Other miscellaneous income	11,531	12,199
Total investment income	68,930,278	41,928,647
Investment expenses	(2,014,387)	(1,902,165)
Net income from investing activities	66,915,891	40,026,482
Securities lending activities:		
Income	196,709	161,070
Expenses	(51,083)	(42,640)
Net increase in fair value of re-invested collateral	319,943	370,227
Net income from securities lending activities	465,569	488,657
Total net investment income	67,381,460	40,515,139
Other income	3,918	3,781
Total additions	98,932,516	71,086,084
DEDUCTIONS:		
Benefits	22,368,902	20,273,110
Refunds of member contributions	3,658,100	3,185,425
Defined contribution plan matching contribution	2,531,548	2,472,044
Administrative expense	2,089,424	1,964,117
Total deductions	30,647,974	27,894,696
Net increase	68,284,542	43,191,388
Net position - restricted for pension benefits		
Beginning of year	348,915,519	305,724,131
End of year	$ 417,200,061	$ 348,915,519

The notes to financial statements are an integral part of these statements

COUNTY EMPLOYEES' RETIREMENT FUND

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting: The financial statements of the County Employees' Retirement Fund ("CERF") are prepared using the accrual basis of accounting. Member and employer contributions are recognized in the period in which the contributions are due. Benefits are recognized when due and payable in accordance with the terms of the plan. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

Method Used to Value Investments: Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Bonds and stocks traded on a national or international exchange are valued at the last reported sales price at current exchange rates as reported by independent pricing services. The values of real estate included in the real estate fund investment are based upon annual independent appraisals, updated quarterly, as provided by the fund manager. Investments that do not have an established market are reported at estimated fair value as provided by investment or fund managers.

Property and Equipment: Property and equipment, including computer software programs, are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated lives of the assets of from three to fifty years.

Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. PLAN DESCRIPTION

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000 could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor

annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

Contributions: Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature.

Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total county-paid member contributions for the years ended December 31, 2013 and 2012 were $1,063,647 and $1,150,772, respectively.

In addition, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

* Late fees on filing of personal property tax declarations,
* Twenty dollars on each merchants and manufacturers license issued,
* Six dollars on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded,
* Three sevenths of the fee on delinquent property taxes, and
* Interest earned on investment of the above collections prior to remittance to CERF.

The fees and penalties collected and remitted to CERF by counties covered by the plan for the years ended December 31, 2013 and 2012 were as follows:

	2013		2012	
Delinquent property tax fees	$ 8,056,301	39.59%	$ 7,798,545	39.15%
Assessor late assessment filing fees	5,762,731	28.32%	5,500,328	27.61%
Recorder document fees	5,376,260	26.42%	5,478,788	27.51%
Merchants and manufacturers licenses	1,093,740	5.37%	1,086,122	5.45%
Interest on the above fees	59,856	0.29%	55,342	0.28%
	$20,348,888	100%	$19,919,125	100%

Members: CERF members include eligible employees of 111 counties in the State of Missouri. The number of members and benefit recipients served by the system at December 31, 2013 and 2012 were:

	2013	2012
Retirees and beneficiaries receiving benefits	3,985	3,671
Terminated employees entitled to but not yet receiving benefits	1,875	1,825
Current active plan members	10,970	10,891
Total	16,830	16,387

Tax status: The Internal Revenue Service has determined and informed CERF by letter dated September 28, 2011, that the plan as amended through November 1, 2010 is in a form acceptable under the Internal Revenue Code.

3. FUNDED STATUS AND FUNDING PROGRESS:

The funded status of the plan as of July 1, 2013, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b)-(a))/(c)
7/1/2013	$ 360,289,802	$ 511,278,478	$ 150,988,676	70.5%	$ 361,898,865	41.7%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Additional information as of the latest actuarial valuation follows:

Valuation Date	July 1, 2013	
Actuarial Cost Method	Entry age actuarial cost method	
Amortization Method	Level percent	
Remaining Amortization Period	20 years	
Asset Valuation Method	5 year smoothed market	
Actuarial Assumptions:		
Investments rate of return	8%	
Projected salary increases*	0.2% - 7.6%	depending upon length of service
Cost-of-living adjustments	1%	

* 3% is added to these rates to allow for inflation.

4. DEPOSITS AND INVESTMENTS

Custodial Credit Risk for Deposits: Custodial credit risk is the risk that in the event of a bank failure, CERF's deposits may not be returned to it. At December 31, 2013 and 2012, CERF's bank balances were secured by a combination of federal depository insurance and pledged collateral held in CERF's name by an agent of the depository bank.

Investments: Funds are invested by outside managers under policies established by the Board of Directors. The Board requires that its investment managers invest CERF's assets with the care, skill, and diligence a prudent person familiar with such matters acting in a like capacity would use in a similar enterprise with like objectives.

The following table summarizes CERF investments by type at December 31, 2013 and 2012:

	2013	2012
U.S. government and agencies securities	$ 11,899,656	$ 15,789,995
Foreign bonds	22,502,371	15,033,696
Corporate bonds and notes	23,640,616	26,923,953
Domestic stocks	167,245,049	134,612,707
International equities funds	60,145,181	48,575,760
Private equity	6,397,413	5,379,993
Hedge funds	95,490,582	79,098,504
Real estate fund	12,621,675	11,313,670
Cash equivalents	12,251,947	9,402,505
Total	$ 412,194,490	$ 346,130,783

CERF's investment policy permits investments in equity and fixed income (debt) securities and real estate, with guidelines for the percentage of the total for each category and for the type of investments within each category.

Investment income in the statement of changes in plan net position displays the realized and unrealized investment gains and losses from all investment types on the line item "Net appreciation (depreciation) in fair value of investments". Totals for interest, dividends, and other types of investment income are presented by broad categories of investments.

With respect to debt securities, the policy permits fixed and variable rate securities issued or guaranteed by the U.S. government, its agencies or instrumentalities; and U.S. government sponsored and other corporation securities. To manage interest rate and credit risks, two investment managers are used for debt securities, each operating under specific guidelines with respect to approved securities, duration, diversification, and minimum quality ratings by Moody's or Standard and Poors.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolio using the option-adjusted methodology. CERF benchmarks the fixed income portfolio to the U.S. Aggregate Index. At December 31, 2013, the effective duration of the U.S. Aggregative Index was 6.57 years, whereas, CERF's fixed income portfolio had an effective duration of 6.59 years. At December 31, 2012, the effective duration of the U.S. Aggregate Index was 6.31 years, whereas, CERF's fixed income portfolio had an effective duration of 6.37 years. The following table summarizes duration by investment type as of December 31, 2013:

Investment	2013 Fair Value	Effective Duration Rate in Years
U.S. treasuries	$ 4,635,592	11.95
U.S. agencies mortgage pool	7,264,064	6.41
Commercial mortgage backed securities	2,656,532	2.35
Other asset backed securities	1,109,728	3.90
U.S. corporate - financial	5,543,983	4.09
U.S. corporate - industrial	13,470,609	6.59
U.S. corporate - utility	859,764	8.66
International	22,502,371	6.70
Preferred stock	100,285	7.74
Total	$ 58,142,928	

The following table summarizes duration by investment type as of December 31, 2012:

Investment	2012 Fair Value	Effective Duration Rate in Years
U.S. treasuries	$ 5,707,595	13.31
U.S. agencies mortgage pool	10,082,400	5.18
Commercial mortgage backed securities	2,868,335	3.21
Other asset backed securities	2,211,644	2.46
U.S. corporate - financial	6,286,026	4.20
U.S. corporate - industrial	14,807,464	6.07
U.S. corporate - utility	750,484	13.63
International	15,033,696	6.52
Preferred stock	103,126	13.72
Total	$ 57,850,770	

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the plan. CERF's debt securities investments by credit rating category as of December 31, 2013 are presented in the following table.

Credit Rating Level	Total	U.S. Treasuries and Direct-Guaranteed Agencies	U.S. Sponsored Agencies - Mortgage Pools	Commercial Mortgage Backed Securties	Other Commercial Asset Backed Securites	U.S. Corporate - Financial	U.S. Corporate - Industrial	U.S. Corporate - Utility	Foreign	Preferred/ Equity
Guaranteed	$ 4,635,592	$ 4,635,592	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Aaa	9,673,775	-	7,264,064	1,833,015	494,167	-	-	-	82,529	-
Aa1	1,890,183	-	-	652,567	97,699	239,239	-	-	900,678	-
A1	9,580,826	-	-	170,950	517,862	1,720,144	854,883	145,591	6,171,396	-
Baa1	20,399,709	-	-	-	-	2,127,700	6,286,909	613,869	11,371,231	-
Ba1	9,283,755	-	-	-	-	1,456,900	4,382,972	100,304	3,343,579	-
B1	2,495,394	-	-	-	-	-	1,762,151	-	632,958	100,285
Caa1	183,694	-	-	-	-	-	183,694	-	-	-
Total	$ 58,142,928	$ 4,635,592	$ 7,264,064	$ 2,656,532	$ 1,109,728	$ 5,543,983	$ 13,470,609	$ 859,764	$ 22,502,371	$ 100,285

CERF's debt securities investments by credit rating category as of December 31, 2012 are presented in the following table.

Credit Rating Level	Total	U.S. Treasuries and Direct-Guaranteed Agencies	U.S. Sponsored Agencies - Mortgage Pools	Commercial Mortgage Backed Securties	Other Commercial Asset Backed Securites	U.S. Corporate - Financial	U.S. Corporate - Industrial	U.S. Corporate - Utility	Foreign	Preferred/ Equity
Guaranteed	$ 5,707,595	$ 5,707,595	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Aaa	14,367,157	-	10,082,400	1,955,640	1,973,632	-	-	-	355,485	-
Aa1	3,495,967	-	-	733,247	-	771,255	989,632	207,190	794,643	-
A1	8,921,601	-	-	179,448	238,012	2,237,951	1,076,026	-	5,190,164	-
Baa1	15,781,163	-	-	-	-	1,661,125	7,125,914	543,294	6,450,830	-
Ba1	6,142,262	-	-	-	-	694,746	3,784,153	-	1,663,363	-
B1	3,135,594	-	-	-	-	920,949	1,831,739	-	279,780	103,126
Caa1	299,431	-	-	-	-	-	-	-	299,431	-
Total	$ 57,850,770	$ 5,707,595	$ 10,082,400	$ 2,868,335	$ 2,211,644	$ 6,286,026	$ 14,807,464	$ 750,484	$ 15,033,696	$ 103,126

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a plan's investment in a single issuer. CERF's investment guidelines require diversified portfolios with no single issue, excluding U.S. government securities, being greater than 5% of each manager's total portfolio value at cost or 7% at market value. As of December 31, 2013 and 2012, no single issue exceeded the thresholds.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The following is a summary of CERF's foreign bonds and international equities funds showing the exposure to foreign currency risk as of December 31, 2013 and 2012:

	2013	2012
Argentina Peso	$ 329,600	$ 276,000
Australian Dollar	-	503,242
Bermuda Dollar	361,294	396,828
Brazilian Real	3,625,093	3,154,354
Canadian Dollar	1,026,324	925,649
Cayman Islands Dollar	1,804,302	1,993,881
Chilean Peso	717,309	164,850
China Yuan Renminbi	498,948	1,125,647
Colombian Peso	559,095	203,250
Czech Koruna	335,164	388,711
Euro	27,693,212	17,842,405
Hong Kong Dollar	957,946	518,205
Indonesian Rupiah	443,800	-
Israeli New Shekel	-	693,755
Japanese Yen	13,661,755	11,558,297
Korean Won	130,217	2,717,203
Mexican Peso	4,481,211	4,091,176
Norwegian Krone	-	93,459
Peruvian Nuevo Sol	815,125	-
Philippine Peso	460,714	253,151
Russian Ruble	1,311,083	830,554
Singapore Dollar	813,983	1,069,299
South African Rand	234,000	-
South Korean Won	3,465,661	390,096
Swiss Franc	3,728,867	3,098,477
Taiwan New Dollar	324,510	-
Thai Baht	839,318	-
United Arab Emirates Dirham	365,178	385,800
United Kingdom Pound	11,836,483	10,013,419
United States Dollar	1,827,360	921,748
Total Foreign Securities	$ 82,647,552	$ 63,609,456

Securities Lending Program:

Description of the Program: CERF participates in a securities lending program administered by KeyBank National Association (the custodian). Under this program, the Board of Directors has authorized CERF to lend its securities to broker-dealers with a simultaneous agreement to return the collateral for the same securities in the future. At the initiation of a loan, borrowers are required to provide cash collateral at 102% of the market value of loaned securities. This cash collateral is then invested in certain qualified investments as detailed in the securities lending agreement. The maturities of the investments made with cash collateral do not generally match the maturity of security loans. There are no restrictions on the amount of securities that can be lent at one time. CERF does not have the ability to pledge or sell collateral securities unless the borrower defaults. CERF and the borrowers each maintained the right to terminate all security lending transactions on demand.

Transactions with Borrowers During the Period: Securities lent as of December 31, 2013 and 2012 consisted of U.S. government and agency securities, U.S. equities, U.S. corporate bonds, and mortgage backed securities. The average term of securities loans was 1 day at December 31, 2013 and 2012. The fair value, including accrued interest, of securities on loan was $62,814,699 and $47,401,541, as of December 31, 2013 and 2012, respectively. Because the fair value of collateral held exceeded the fair value of securities lent at December 31, 2013 and 2012, CERF had no credit risk exposure to borrowers as of those dates. There were no losses during the year resulting from a default of the borrowers or the custodial bank.

Investment of Cash Collateral During the Period: The weighted average duration of collateral investments was 1.7 days and 1.9 days at December 31, 2013 and 2012, respectively. The fair value of collateral investments was $62,597,940 and $46,947,061 as of December 31, 2013 and 2012, respectively. CERF's securities lending policy states that in the event a security held in the collateral investments portfolio is downgraded below A3 by Moody's or A- by Standard and Poors that a potential course of action be discussed. Such potential actions include selling the security as soon as possible or holding the security in the hopes of an improved market. As of December 31, 2013, 1.77% or $1,106,157, of the total market value of the collateral investments portfolio was in securities that had fallen below these minimum ratings thresholds. As of December 31, 2012, 2.35%, or $1,101,704, of the total market value of the collateral investments portfolio was in securities that had fallen below these minimum ratings thresholds. The fair value of collateral investments was $1,056,207 and $1,376,149 less than the liability for the collateral held for securities on loan as of December 31, 2013 and 2012, respectively. The agreement between CERF and the securities lending agent does not provide for indemnification to CERF for any loss incurred as a result of CERF's participation in the program.

Securities Lending Income: Security lending income from CERF's share of income on investments made from cash collateral less borrower rebates and fees of the securities lending agent was $145,626 and $118,430 for 2013 and 2012, respectively.

The following table summarizes duration by investment type as of December 31 for securities lending invested collateral subject to interest rate risk:

	2013		2012	
Investment	Fair Value	Effective Duration Rate	Fair Value	Effective Duration Rate
Repurchase agreements	$ 42,705,000	1-88 days	$ 36,000,000	1-75 days
Money market funds	16,786,731	1 day	9,845,357	1 day
Corporate notes	1,106,157	6-268 days	1,101,704	1-269 days
Commercial paper	1,999,957	6 days	-	-
Asset backed securities	95	1 day	-	-
Total	$ 62,597,940		$ 46,947,061	

The following table summarizes credit ratings by investment type as of December 31 for securities lending invested collateral subject to credit risk:

	2013				
Moody's Credit Rating Level	Repurchase Agreements	Money Market Funds	Corporate Notes	Commercial Paper	Asset Backed Securities
Not rated	$ 31,705,000	$ -	$ 1,106,157	$ -	$ -
Aaa	-	16,786,731	-	-	-
P1	11,000,000	-	-	1,999,957	-
Ca	-	-	-	-	95
Total	$ 42,705,000	$ 16,786,731	$ 1,106,157	$ 1,999,957	$ 95

	2012		
Moody's Credit Rating Level	Repurchase Agreements	Money Market Funds	Corporate Notes
Not rated	$ 36,000,000	$ -	$ 1,101,704
Aaa	-	9,845,357	-
	$ 36,000,000	$ 9,845,357	$ 1,101,704

5. CAPITAL ASSETS

Capital assets consist of the following as of December 31, 2013:

	January 1, 2013	Additions	Disposals	December 31, 2013
Assets not being depreciated:				
Land	$ 932,050	$ -	$ -	$ 932,050
Computer software in development	301,911	618,607	-	920,518
Total assets not being depreciated	1,233,961	618,607	-	1,852,568
Assets being depreciated:				
Building	3,022,819	-	-	3,022,819
Equipment, furnishings and computer software	1,774,799	12,400	(5,335)	1,781,864
Total assets being depreciated	4,797,618	12,400	(5,335)	4,804,683
Less accumulated depreciation	2,273,197	86,090	(5,335)	2,353,952
Net assets being depreciated	2,524,421	(73,690)	-	2,450,731
Total capital assets	$ 3,758,382	$ 544,917	$ -	$ 4,303,299

Capital assets consist of the following as of December 31, 2012:

	January 1, 2012	Additions	Disposals	December 31, 2012
Assets not being depreciated:				
Land	$ 932,050	$ -	$ -	$ 932,050
Computer software in development	-	301,911	-	301,911
Total assets not being depreciated	932,050	301,911	-	1,233,961
Assets being depreciated:				
Building	3,022,819	-	-	3,022,819
Equipment, furnishings and computer software	1,748,848	26,830	(879)	1,774,799
Total assets being depreciated	4,771,667	26,830	(879)	4,797,618
Less accumulated depreciation	2,190,846	83,230	(879)	2,273,197
Net assets being depreciated	2,580,821	(56,400)	-	2,524,421
Total capital assets	$ 3,512,871	$ 245,511	$ -	$ 3,758,382

6. PRIOR SERVICE CONTRIBUTIONS

An eligible county employee who was employed prior to CERF's inception on August 28, 1994, is considered to have prior service. If the employee was working on June 10, 1999, and worked through January 1, 2000, the prior service is awarded. This means the employee does not have to purchase the service to have it deemed creditable. If the employee did not work continually from June 10, 1999 through January 1, 2000, the prior service must be purchased to become creditable. The prior service is calculated at the time of retirement and can be paid in one lump sum or over a period of up to 48 months. The monthly pension benefit is reduced by the buyback amount until the prior service has been paid in full.

An eligible county employee who was employed on January 1, 1990, but not employed on August 28, 1994, and who had at least eight years of service is classified as a special consultant. A special consultant can elect to purchase eight years or more of their service in order to receive a CERF benefit. Since a special consultant would have terminated employment prior to CERF's inception, they are required to make a larger buyback and must pay at least 50% of this amount up front. The remaining amount is deducted from the monthly pension

benefit for up to 48 months.

An eligible county employee who opted out of the system prior to January 1, 2000 had the option to become a member within three months of the three year anniversary of the decision to opt out. Upon deciding to opt in to the system, such employee either purchased in total or began payroll deductions to purchase all or part of their prior creditable service plus interest over a maximum period of four years. Such amounts are recognized as contributions when received by CERF.

The receivables for member prior service contributions shown on the accompanying statements of net position represent the total amount, as of December 31, 2013 and 2012, that is due in future periods from retirees who have elected to purchase prior service.

7. RETIREMENT PLANS FOR FUND EMPLOYEES

All full-time employees of CERF are eligible for participation in a defined contribution plan. CERF contributes 6% of a participating employee's monthly gross salary to the plan. The contribution requirements of the plan are governed by the plan document, which may be amended by the Board of Directors. Employees do not contribute to the retirement plan. Employees become vested in contributions made by CERF after 5 years of creditable service. Total contributions for the year ended December 31, 2013 and 2012 were $51,050 and $48,235, respectively.

All full-time employees are eligible for participation in an Internal Revenue Code (IRC) 457 deferred compensation plan upon their eligibility in the defined contribution plan.

8. DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS

Plan Description: Effective January 1, 2000, CERF also administers a defined contribution plan and an IRC Section 457 deferred compensation plan. Members of the pension plan are eligible to participate. The plans were established to provide an opportunity for members of the pension plan to have additional retirement benefits. The plans' provisions and contribution requirements are established and may be amended only by action of the Missouri Legislature.

Contributions: Pension plan members who are not members of LAGERS are required to contribute 0.7% of gross compensation to the defined contribution plan. Contributions of $781,936 and $804,913 were made during the years ended December 31, 2013 and 2012, respectively. Participation in the 457 plan is voluntary. The level of contributions to the 457 plan is elected by the employee, subject to the limitations of IRC Sections 401(a) and 457. CERF's Board of Directors determines if matching contributions from the pension plan trust funds for a calendar year will be made to the defined contribution plan accounts of those who participated in the 457 plan and met the applicable service criteria during the plan year. The amount of any matching contribution is limited to an amount not needed to keep the pension plan actuarially sound. The matching contribution is also limited to 50% of a member's voluntary contributions to the 457 plan, up to 3% of the member's compensation. Members vest in the matching portion of contributions allocated to their respective accounts after five years of creditable service. Matching contributions for the years ended December 31, 2013 and 2012 were $2,531,548 and $2,472,044, respectively.

Administration: Maintenance of individual member accounts and custody of assets have been contracted to a third party administrator and investment custodian, respectively. Member contributions are sent directly to the third party administrator by the counties. Members can self-direct investments of their contributions and their respective share of matching contributions in a number of investment options. Separate trust funds are maintained for the defined contribution and 457 plan assets.

Because CERF does not hold the plans' assets and does not have significant administrative responsibilities, the plans' assets and changes in net assets are not reported in CERF's financial statements.

9. RISK MANAGEMENT

CERF is exposed to various risks of loss related to natural disasters, errors and omission, loss of assets, torts, etc. CERF has chosen to cover such losses through the purchase of commercial insurance. There have been no significant insurance claims filed or paid during the past three years.

10. COMMITMENTS

CERF had total unfunded capital commitments to a private equity limited partnership investment fund of $4,117,485 and $4,649,862 as of December 2013 and 2012, respectively.

In December 2012, CERF entered into an agreement with a third party software company to develop and license a new system to be used for Plan administration in the amount of $1,865,600. CERF's unpaid commitment under the agreement was $1,015,600 and $1,565,600 as of December 2013 and 2012, respectively.

COUNTY EMPLOYEES' RETIREMENT FUND

REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2013

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b)-(a))/(c)
7/1/08	$ 271,146,789	$ 364,213,668	$ 93,066,879	74.4%	$ 335,961,755	27.7%
7/1/09	270,397,854	396,537,305	126,139,451	68.2%	352,719,824	35.8%
7/1/10	294,482,927	423,561,319	129,078,392	69.5%	361,334,336	35.7%
7/1/11	318,320,084	452,366,458	134,046,374	70.4%	353,991,192	37.9%
7/1/12	331,189,281	482,565,132	151,375,851	68.6%	357,441,466	42.3%
7/1/13	360,289,802	511,278,478	150,988,676	70.5%	361,898,865	41.7%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Years Ended June 30,	Required Contribution	Actual Contribution	Percentage Contributed
2008	$ 11,930,574	$ 20,000,450	167.6%
2009	16,011,408	19,994,180	124.9%
2010	19,095,323	19,815,866	103.8%
2011	19,872,429	19,440,212	97.8%
2012	17,486,046	19,953,174	114.1%
2013	18,706,575	20,248,550	108.2%

COUNTY EMPLOYEES' RETIREMENT FUND

SCHEDULES OF ADMINISTRATIVE EXPENSES
For the Years Ended December 31, 2013 and 2012

	2013	2012
Personal services		
Staff salaries	$ 870,573	$ 831,962
Social security	62,737	57,650
Retirement	51,050	48,235
Insurance	163,905	136,088
Total personal services	1,148,265	1,073,935
Professional services		
Actuarial	156,193	155,812
Audit	58,178	50,164
Legal counsel	196,294	169,004
Legislative consultant	67,000	67,000
Plan design and implementation consultants	33,792	24,304
Total professional services	511,457	466,284
Communication		
Printing	21,934	21,598
Postage	26,411	24,889
Telephone	26,438	25,110
Total communication	74,783	71,597
Rentals		
Equipment leasing and maintenance	32,297	36,353
Total rentals	32,297	36,353
Depreciation	86,090	83,230
Miscellaneous		
Utilities	23,968	20,678
Board of directors expenses	21,118	20,882
Business risk insurance premiums	71,604	68,529
Staff development	22,963	23,975
Office	96,832	98,530
Property taxes	47	124
Total miscellaneous	236,532	232,718
Total administrative expenses	$ 2,089,424	$ 1,964,117

COUNTY EMPLOYEES' RETIREMENT FUND

SCHEDULES OF INVESTMENT EXPENSES
For the Years Ended December 31, 2013 and 2012

	2013	2012
Investment management expenses		
Domestic stocks	$ 906,410	$ 947,386
International stocks	421,500	324,612
Bonds	186,116	181,012
Private equity	48,614	48,973
Real estate	136,454	126,860
Total investment management expenses	1,699,094	1,628,843
Other investment expenses		
Investment consultants	185,773	163,649
Investment custodian	124,409	104,448
Bank depository	5,111	5,225
Total other investment expenses	315,293	273,322
Total investment expenses	$ 2,014,387	$ 1,902,165
Securities lending expenses		
Borrower rebates	$ 14,688	$ 13,035
Agent fees	36,395	29,605
Total securities lending expenses	$ 51,083	$ 42,640